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VERSUS

The A. I. V. I. A.

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This essay was originally contributed to the press in the form of articles, entitled *Professor Kumarappa's Theory of Centralization and Decentralisation.* It is reproduced here in a pamphlet in response to a general demand.

The author has added a short chapter at the end in reply to the rejoinder of Professor Kumarappa

THE PUBLISHERS

Socialism *versus* the A. I. V. I. A.

I

Professor Kumarappa's Theory of Decentralization

Some months back, in an article in the *Harijan*, Gandhiji wrote in reply, if I remember aright, to some question of a friend, that though he had his own views of economic and industrial organisation, his scheme of village industries organisation was not intended primarily for the experimentation, much less the realisation, of those views. His aim was much humbler, he said, namely, that of rendering some economic service to the villager by raising his productivity and income and by making his habitat healthier and less exposed to the exploitation of the cities.

But some of his followers are, in the old French idiom, more royalist than the king. The more enthusiastic of them have discovered in the idea of the Village Industries Association, a fundamental principle of social organisation—a principle that transcends all others, including communism, both in its inherent goodness and its value of stability.

Thus we find Sardar Vallabhbhai Patel proclaiming that true Socialism in India can come only through the development of village industries. One wonders if the Sardar will own up to the logical conclusion of his reasoning, namely, that true

socialism obtained throughout Indian history—indeed, world history—except during the past century or two

We have, again, Dr. Pattabhi Sitaramayya growing lyrical in his praise and exaltation of this great idea. To him the A. I. V. I. A. represents the realization of a dream of social reconstruction and cultural regeneration It is difficult to imagine any one being so completely swept away by his own eloquence as the learned doctor from the South.

However, I am not concerned with these opinions here. My present concern is with a recent interview of Professor Kumarappa, given at Patna, which has appeared in several newspapers.

Professor Kumarappa is not a politician and, therefore, is not given to exaggeration. He is a trained economist and a scientific thinker. As the Organising Secretary of the A I. V. I. A., Mr. Kumarappa is a most responsible exponent of the scheme, the fulfilment of which is his task more than any one else's.

It is natural therefore that great value should attach to his opinions on this subject. And it is for that reason that, finding serious flaws in his thinking, I have felt compelled to present my criticisms to the public.

I should like to make it clear at the outset that I am not concerned in this article with the Village

Industries Association as an immediate scheme for rural uplift or a scheme for winning Swaraj. Here I wish to examine the Association as representing a scheme of social reconstruction' excelling even communism as Professor Kumarappa has claimed.

It is a staggering claim to make.

One wonders what new forces have been discovered by its modern proponents in an economic system which is as old as human civilisation. For, after all, village industries are nothing new in the world like collective farms and factory soviets. And therefore when some one comes forward claiming the highest social virtues for a thing which was a commonplace only a century ago, one's curiosity is really aroused.

But is the curiosity fulfilled? I am sorry to have to reply in the negative.

What is Mr. Kumarappa's thesis? It centres round two conceptions—centralisation and decentralisation (of production). The first he rejects, though not wholly as we shall see, as entailing exploitation and violence. The other he holds up as the ideal cure for all economic maladjustments and injustice,

Mr. Kumarappa, like the communist, is interested in finding out the basis of an economic order that is free from exploitation. He also wants that order to be free from violence. This basis he

finds in decentralised production. "If each man", he writes, "is to retain the product of his labour (i.e. to be free from exploitation—J. P. N.) the logical conclusion forces us to adopt decentralisation of production as the only way out".

It is of course obvious that if each individual worked for himself with his own tools and consumed what he produced, he would retain the full value of his labour for himself. At the same time it should also be obvious that if a thousand persons *worked together*, not for a third party but *for themselves*, and *consumed together* all that they produced, still each one of them will get the full value of his labour.

Professor Kumarappa accepts the first as the only sound and permanent system (though after making a fatal compromise with the second as we shall see) while he rejects the other—which is the essence of communism—as veiled capitalism; and invokes the picture of galley slaves and other such forms of brutal exploitation to discredit it.

Let us examine this concept of decentralisation a little more closely. It should be remembered that under decentralised production, the worker is completely free from exploitation only when he grows his raw materials, owns his tools and consumes his produce himself. If the stage of production has risen above this primitive level and the worker has to buy his raw materials and sell his produce, he at once comes within the orbit of the exploitation of the middleman. To do away with this form of

exploitation also it would be necessary either to primitivise further the methods of production or to organise co-operative buying and selling. But the latter solution entails centralisation of organisation and all those dams of idealism of which the Professor speaks and which we shall examine presently. Will it, therefore, appeal to the Professor? If not, then he must force down the methods of production much lower than he at present contemplates.

Then, there is another from of small-scale production—tilling of the land by individual peasants—which, even though the tiller may be working for himself, may entail exploitation. This exploitation arises from the fact that the land which the peasant tills, is "owned" by another person; and therefore instead of keeping all his produce to himself, he has to part with a portion of it to that owner. Thus here, inspite of decentralisation, there is exploitation.

How does the Professor propose to eradicate this exploitation? The socialist solution is to make the tiller himself the 'owner' of his land collectively with others and to educate him to work on his land as a member of a co-operative or collective organization. This latter method the socialist urges for the purpose of improving agricultural productivity, of bringing agriculture under a planned economy, of developing a social rather than an individualistic outlook among the peasants, of preventing the re-growth of predatory forces in the countryside.

In an agricultural country like India where this curse of landlordism is widespread, economic exploitation would not cease by decentralisation of commodity production. The problem of the exploitation of the peasant under landlordism, will have to be faced. Will the A. I. V. I. A.'s solution be different from that of the socialist? I should be thankful to Professor Kumarappa if he would enlighten me on this question.

I have said above that the Professor has made a fatal compromise with centralisation—fatal, I mean to his theory.

His picture of the ideal economic organisation is a blend of centralisation and decentralisation, in other words, a blend, if we use his own calculus of valuation, of evil and good, violence and *ahimsa*, capitalism and true socialism.

He accepts centralisation in those spheres in which production and management are centralised by their very nature, such as railways, power production, mining, etc. Why does he do so ? Either he thinks that centralisation in these spheres is free from the evils of exploitation, violence, etc., or, desirous of material advancement and fond of electricity and railways, he is prepared to have them even at the cost of compromising his pure economics.

It is difficult to believe that he thinks that there is no exploitation in these spheres of centralisation,

if they are on a capitalist basis. Certainly the railway workers—the shopmen, the driver, the booking clerk, the station master—are as much subject to the exploitation of the Railway companies as any other industrial worker under capitalism. The same is true of mine-workers and others.

How does Professor Kumarappa propose to do away with this exploitation ? He gives us no clue beyond saying that he would have centralisation in these spheres,

Till Mr. Kumarappa answers this question, the socialist answer holds the field. Exploitation in these spheres, as in others, can be removed only by abolishing their private ownership and establishing over them the ownership of the community.

If the Professor accepts this solution, he knocks out the bottom from his theory of decentralisation. Because if exploitation can be removed by social ownership and management in the sphere of heavy industries why can it not be likewise removed from the rest of the field of production ? If, on the other hand, he rejects this solution and fails to produce a better one, he compromises with exploitation along with its brood of attendant social evils and maladjustments. If he allows the "naturally centralised" industries to be in private hands he sounds the death-knell of his scheme.

First of all, the sphere of naturally centralised industries will be much larger than the Professor

seems to think, and it will have an insatiable tendency to grow. Secondly, the interests that control these industries will have a dominating voice in the economic organisation of the country.

Take the railways, for instance. At present this industry is entirely in British hands. If under Swaraj it is converted into an Indian industry, it alone will require scores of subsidiary industries which must be on a large-scale basis. Iron, steel, coal-mining wire-manufacture, forestry, building-materials, are some of them. Each one of these will require other subsidiary industries, some of which again in their very nature must be centralised. Mining, irrigation, bridge-building, military industries, telegraph and telephones, ship-building, aeroplane building, power development, radio, metallurgy, heavy chemicals, are some of the other major centralised industries.

In addition to industries, there are the financial and commercial sides of the economic order which too must be considered. The running of large industries would require banks and large trading houses. These again mean centralisation.

Is it not obvious that heavy industries like the ones listed above, banks and large trading houses will dominate the economic life of any community where they exist? And if they are left in private hands, to be run for the profit of those who own them, the entire economic organisation will be in the grip of these owners. The urge of profit will reach out and

establish the dominion of centralised private production in those spheres too which are according to Professor Kumarappa naturally decentralised—such as spinning and weaving and sugar-making.

The problem of Mr. Kumarappa therefore is not only that of demarcating the spheres of centralisation and decentralisation The economic problem is not solved as soon as he says that such and such industries will be centralised and the others decentralised. He must go a step further and face the question: if there is centralisation, as he thinks there must be, then should it be under private, or social, control and ownership? It would be suicidal for him to say that it matters little to him if a group of big businessmen owns all the mines, the railways and the banks of the country, or if the whole nation owns them. Yet by inference this is exactly what he said when he remarked that capitalism and communism are the same things because they are both centralised.

II

Centralisation Under Communism

Now let us turn to his criticism of communism. He rejects communism because it is based on centralised production. If Soviet Russia seems to be free from the evils of capitalism, it is only because of the dam of idealism which the Russians have created. Its "economic structure", to use his own term, is the same as that of capitalism, He

therefore argues that it is only necessary to breach that dam for the whole system to collapse; and he warns that "human life is mortal and ideals change; and therefore unless the seed of centralisation is taken out of Soviet organisation the danger of reversion to type will always be there". He further says: "A change of the personnel at the helm of affairs may convert Soviet Russia of today into a Rockefeller organisation of to-morrow". He likens Sovietism to capitalism because in his view "in both organisations the real producer loses his identity and becomes merely tools in the hands of the men at the top"; and adds: "It is with this end in view that our Association is doing all it can to make each individual producer an entity in himself and prevent his being merged into one in a gang of galley slaves. Whether the galley is owned by individuals or the state, makes little difference to the slave himself." Again, he says; "Both capitalism and Soviet Communism have as their basis violence. The galley slaves are driven with a whip for speed and harmony in pulling together".

These are breath-taking statements; and had they not come from an economist like Mr. Kumarappa, I would not have stopped for a moment to examine them.

This view of Soviet soceity betrays, I regret having to say it, a complete misunderstanding of the basis of socialism on the one hand, and the present trend of capitalist economy on the other.

The Professor indicts Soviet Communism on three counts: (1) only idealism at the top prevents it from being debased into capitalism, because its structure is the same: centralised production; (2) the producer—the worker—loses his identity; and (3) it is based on violence.

The first of these involves the most fundamental error. No one will deny that there is idealism in Russia; and that it is a great driving force. But, firstly, it is not only restricted to a few at the top; and, secondly, it is *not* the *basis* of the Soviet economic system.

What is the Soviet economic system? The Professor apparently implies that as long as the dam of idealism lasts and till it "reverts to type", the system is a valuable one. Had he stopped to examine its nature and its *differences* from capitalism he would have discovered its real social basis.

In the Russian system, first of all, there is no class of individuals who derive profit from the labour of others. Production, which is centralised, i. e., on a large-scale basis, is not for the profit of of a small class of capitalists, stopping as the profits cease, but for consumption. Though wages are given, the rule is not to keep them down in order to increase proportionately the volume of profits, but constantly to raise them in correspondence with the total production of the community. Unemployment is not the rule but the rarest exception. (Russia

today is the only country in the world where inspite of economic depression there is no unemployment). Security of employment is as definitely assured to every worker as it is to the civil servant in England. Opportunities are equal for all those who work. Social services have reached the highest development as compared with the rest of the world.

Prof. Kumarappa talks of the real producer losing his identity and becoming a tool in the hands of the men at the top, and of the little difference that it makes to the 'slaves' whether he works for a capitalist or the State. This is true of capitalism; but to say that it is also true of the Soviet system is to display utter ignorance of the status of the Russian worker. The whole essence of the Bolshevik Revolution lies in that status. It is not for nothing that the communists speak of the Dictatorship of the Proletariat. The working class is the most privileged class in Russia in the matter of electoral privilege, educational privilege and the privilege to enjoy the fruits of labour and the amenities that the entire community can provide. The factory soviets have vested real power in the hands of the workers; the trade unions are the most influential non-Party organisations. Indeed, the worker in Russia is anything but a galley slave, losing his identity in the mass He is a member of the ruling order; and each individual worker has his voice felt through his soviet or union.

To liken the lot of the worker under capitalism to that under Soviet communism is to miss the

meaning of the greatest event of modern history—the Russian Revolution.

It is not only the worker whose status has heen radically changed. The peasant too has acquired a new status, second only to that of the worker himself.

Here is the secret of the Russian system, the real basis of Soviet economics. It is this sudden revolution in the position, rights, privileges of these two classes that has been responsible for the stability of the Soviet Government. Were not this broad basis in existence, one could not explain the survival of the Bolshevik Revolution through that terrible period of armed intervention from without and counter-revolution and famine from within. Surely, the revolution had given the people so much that they were prepared to save it at any cost.

Then, we must not forget the Red Army. The revolution revolutionised the class basis of the Russian army as much as it did that of industry and agriculture. The Russian soldier will not accept again the slavery of the upper-classes without a fight. Therefore if the Russian system of economy were to change into capitalism, it would not merely happen by the men at the top deciding to effect that change. For that another all-shaking revolution would be required. The workers and peasants, who have got new privileges and rights will not let them go without fighting. They will not again accept the slavery of the capitalist and the landlords; they

will not again give up their palaces for the slums of old; they will not give up their comforts, their opportunities for education and culture, merely because Comrade Stalin, let us say, has decided to hand them over again to the bourgeoisie.

As for the third indictment, that communism is based on violence, it is both true and untrue. It is not true in the sense Mr. Kumarappa means it. He says: "Both capitalism and Soviet communism have as their basis violence. The galley slaves are driven with a whip for speed and harmony in pulling together". If this is the sense in which the Professor thinks there is violence in communism, he is entirely wrong.

I have shown that under communism there are no galley slaves. There are workers working together for mutual benefit; and each worker is an individual with rights that are of the highest order existing in that society. There is no violence in this anywhere. There is no whip driving him to work. He works under conditions laid down by himself through his union. The place in which he works is his; its club and recreation grounds are his. It is his initiative that is building up his factory, his soviet, his club, his school and even his theatre. There is no violence in his life.

But there is violence in communism in a different sense, though personally I do not consider it to be violence. The classes which under Capitalism constituted the ruling class, and had

monopolised all privileges, wealth and position, are deliberately destroyed by force. It is not meant that they are physically exterminated. What is meant is that by legislation they are denuded of their wealth and power. Actual physical violence is only used when these classes organise counter-revolution; when they sabotage and obstruct and undermine the new order. Then they are sent to prison or shot, in accordance with the laws of the land.

In this sense, I am afraid, if Mr. Kumarappa is serious, violence would be inevitable in his scheme too, as I shall try to show below.

I have said above that Mr. Kumarappa's remarks about Soviet economics betray a misunderstanding of the trend of present capitalist society. He declares that "it is but a step from Soviet economics to capitalist organisations". This in fact is just the reverse of reality. Production has reached a stage where Capitalism has failed to organise it. There exist productive powers in the world to-day and resources to maintain in comparative comfort many times (four times according to Sir George Knibbs) the present population of the world; yet there is everywhere unemployment, scarcity in the midst of plenty, chaos and disorganisation.

It was Marx who first pointed out this basic contradiction of modern capitalism. The very forces which gave it birth will be its undoing, he said. The

development of productive powers consequent upon the Industrial Revolution ushered in an era of prosperous capitalism. But after it reached a certain stage, serious defects began to show in its working. It began to have periodical set-backs—the economic crises. Since the war it has shown symptoms of chronic disease—the contradiction having begun to have full play.

This contradiction, in brief, is that capitalist production tends to create abundance of goods while capitalist distribution tends to restrict the consumption of the goods created. This has led to the present incurable sickness of capitalism. The result is that everywhere the cry of over-production has gone up and curtailment of production and checking of mechanical advance, even mechanical retrogression, are in evidence all over the capitalist world. Capitalism has ceased to be a progressive force. The age of plenty that has been made possible by present mechanical advance, is being thwarted by capitalism.

Socialism alone is the next step. By solving the problem of distribution, it alone can further develop the productive forces of society. It alone can bring on earth the Age of Plenty, the eternal dream of mankind.

It betrays therefore, as I have already said, an utter misunderstanding of present economic trends, to speak, under these conditions, of capitalism being a step from socialism.

III

The Practicability of Decentralisation and its Results

So much for a criticism of the Professor's criticism of communism. Let me now turn to his own scheme. I shall formulate my criticism of it in the shape of a question.

How does Mr. Kumarappa expect to realise his scheme ? Supposing we have our own Government, how does he propose, for instance, to decentralise spinning and weaving and sugar-making ? At present most of these activities are carried on in large centralised mills. If Mr. Kumarappa is relying on his Association's ability to drive these mills out of business by pure economic competition, he is obviously mistaken. Hand manufacture cannot compete with machine production. Then again if he hopes to kill them by the effort of his propaganda; i. e., by convincing people that decentralised industry is better, he is again making a mistake. It is not possible to do so. There is no reason to suppose that there will be no propaganda from the other side and that it will not be more effective.

There remains only one course—legislation: placing of such economic handicaps on these industries that they will die out. This, I claim, is in principle, violence of the same kind as that used by communists in declaring a whole class expropriated. If the process is slower in the first case, it hardly alters the principle. The parties concerned

would submit to the decrees of Professor Kumarappa only because intimidated by the power of the State to coerce them ultimately.

Suppose Mr. Kumarappa makes a law that no one can employ more than, say, five people in spinning, weaving and sugar-making industries. What would he do with an individual who infringes that law ? Would he not use the State's machinery to coerce him; to fine him; even to imprison him? Where then is the difference in this violence and the violence of the Soviet State ? As long as there is organisation in society, there is violence in this sense The claim of the communist is that he destroys the violence of the few over the many and establishes the violence of the many over the few. Capitalist property, apart from being theft in the words of Proudhon, is also constant violence. Under Communism, at least this form of violence would cease to exist.

But even here, in the matter of legislation, Mr. Kumarappa will come up against a difficulty. If elections are held on the present so-called democratic principle, the centralised industrial classes will certainly try to return as many of their representatives as possible; and, with their resources, they might put up a real good show. At the same time, Mr. Kumarappa will have to find enough supporters of his scheme to put his candidates through. It is difficult to say who will come out victorious in such a contest.

In any case, it is obvious that Mr. Kumarappa,

while speaking of this "great challenge" that Gandhiji has thrown to capitalism and communism, must fight the centralised industries of the present day and decentralise them. Will the A I. V. I. A. do this? The existence on its Advisory Board of men who are cotton and sugar magnates, does not encourage one to believe that this will happen.

After Mr. Kumarappa has decentralised industry, supposing that he succeeds in it, he will have accomplished only half of his task. The other half would consist in devising plans to *prevent* centralisation again It must be remembered that cottage industries were in existence everywhere in the world before the Industrial Revolution; and that they were all destroyed by the new productive forces. It should not be supposed that as soon as machinery appeared on the scene, every one accepted it cheerfully. There was a long and bitter struggle between machinery and handicrafts; and it was only the combined economic superiority and political power of the new rising industrial class that finally crushed the craftsmen. Machinery is much more powerful economically and politically now than it was in those days; and it would not be very easy for handicrafts to fight it. In a pure economic fight they cannot win. Only if the handicraftsmen permanently hold power in their hands, can they prevent the rise of machinery again. That is, a dictatorship of the small producer would be necessary. Is the Professor prepared to impose such a dictatorship over the country ?

To conclude, it is wrong to suppose that centralisation under all conditions means violence and exploitation. Centralised production under social ownership and control, eradicates these evils; and, at the same time, by keeping the high productive forces intact and even developing them, it makes unlimited social progress possible.

It is wrong again to suppose that this socialised production is based on the idealism of a few men at the top. Its real basis is the benefits it confers on the vast masses of the people—the workers, peasants and soldiers. It rests on class interest.

Mr. Kumarappa has confused the economic issues in the present world by posing the problem as centralisation *versus* decentralisation. The problem in reality is *private* versus *social ownership of the means of production*. The issue is whether factories and mills, banks and mines, trading and business, shall remain in private hands for private benefit; or whether they shall be transferred to society for the benefit of society.

Professor Kumarappa has no reason to reject centralisation. And he is guilty of bad logic when he retains it in certain spheres and rejects it in others.

Decentralisation, while theoretically solving the problem of exploitation, is a reactionary step and also an illusory hope. It is reactionary because it turns back the productive forces of society. It is

illusory because not having a class basis it cannot materialise. Furthermore it means lower standards of living for the people. It means scientific and cultural reaction. It means a medieval and rural outlook It means military weakness.

IV

Rejoinder to a Rejoinder.

At the time Professor Kumarappa published his criticism of my articles, I felt no enthusiasm for "returning to the charge." It seemed to me then, as indeed it still does, that the Professor, for some reason best known to him, was anxious to evade the main issues, directing his reply to minor points and superficial observations regarding the U. S. S. R. It did not, therefore, seem useful to continue the controversy.

However, since the articles are being published in a pamphlet form, friends have urged me to write a reply to Professor Kumarappa's rejoinder.

He has picked out eight points from my articles for criticism. I shall first take the minor points.

To begin with, he has argued at some length against my remark that when a system, which was a commonplace till a century or so ago, is trotted out as an economic and political panacea, one's curiosity is really aroused. He labours to show that merely because a thing is old, one need not imagine that it

has no undiscovered uses. I agree. And the reader will see that in my original articles. I had nowhere categorically asserted that, since village industries were things of the past, they could have no virtue in them that had not been discovered by past generations. All I had said was that it made one curious to read the claims made on behalf of the A. I. V. I. A. It was for Professor Kumarappa to satisfy that curiosity. I confess that, as far as I am concerned, it still remains unsatisfied.

Secondly, he has criticized my statement that in Russia security of employment is as definitely assured to every worker as it is to the Civil Servant in Great Britain. He writes: "It is an unfortunate comparison as the English Civil Service has built up no reutation for initiative......For the progress of a nation we need intiative." It is unfortunate that such criticism should have come from Mr. Kumarappa.

I referred to the British civil servant while speaking of the security of employment that the Russian State offers every worker. I was not comparing the Russian worker *himself* with the civil servant of Great Britain. Mr. Kumarappa had lumped together, in his original interview, the worker under capitalism and the worker under socialism. In reply to this I was trying to show the difference in the status of the worker under the two systems. One of the important differences that I happened to mention was security of

employment. My purpose in referring to the civil servant was merely to give an idea of the security enjoyed by the Russian worker.

Professor Kumarappa talks of a nation's progress depending on "initiative." I am sure he will agree that the U. S. S. R. has made astounding progress. Does he believe that all this progress has been due to the initiative of a handful of "dictators" at the top ? Was such progress possible without mass intiative, particularly the initiative of the Russian worker ?. Professor Kumarappa ought to know that if there is initiative in the "common" man anywhere on Earth today, it is in the Soviet Republic.

The Professor tries to make another point thus: "Is it necessary to have a class basis for progress ? It is no recommendation to say that the workers are the privileged class of Russia. We want no privileged class at all."

These are rather gratuituos remarks. Professor Kumarappa first calls the Russian worker galley slaves, and then when he is told that far from being galley slaves, they are the most privileged class in the country, he turns round and says: "we do not want privileged classes." Surely he knows that what the Russians are trying to do, is not to create a new class of privilege, but to create a classless society, i.e., a society of one class only—the class of workers. Already with 80 per cent of

their agriculture collectivized, the Soviets have nearly become a nation of one class.

As for the class basis of progress, it is too long a story to tell here. In any case, it is not vital to our argument. The only time when I made a reference to this theory was when I said that in our society there was no scope for a dictatorship of the small producer; that there was no class basis for it. If this formulation is offensive to the Professor, I shall drop it; and merely say that the small producers cannot be in a position—due to their being scattered, their variety of interests, their small resources, their low competing ability as against machinofacture, their backwardness, and many other causes—to combine and acquire such strength as to be able to fashion society to suit their interests.

The last point he has tried to score against me is in connection with my remark that small industries mean military weakness. This is how the Professor argues: "This, in a way, justifies our scheme as we do not aim at military domination. We are consciously working towards the eradication of all militarism—economic and otherwise. If we make exploitation impossible, we take away the wind from the sails of political and military domination. If we mean 'military weakness' by minimising group violence, that shall be our national strength."

This, I am afraid, is a little playing to the gallery. And it did not fail to produce the desired effect. The press cutting which is before me of Mr.

Kumarappa's article has a streamer headline: "We Cannot Have An Economic Militarism." The implication was that I was guilty or having advocated it.

It was not of militarism that I spoke, however. All I meant to do was to point out the simple and rather obvious fact that, in this highly industrialized and mechanized world, a country that is dependent upon village industries is bound to find itself in a weak military position. I did not suggest thereby that we should aim at military domination The opposite of military weakness is not military domination. It is military strength—i.e., strength to defend one's country against foreign aggression. In speaking of the objective of "working towards the cradication of all militarism," Mr Kumarappa has run away from reality. It is a laudable objective to follow; but he should realize that no matter what economic and political views he holds, the defence of the country would be his first responsibility if he were at the head of its government. If he proved indifferent to it, or inefficient, not only his government would go down in a hurry, he would also have the satisfaction of injuring, may be permanently, the country's international position. It should be clear that no manner of economic and political idealism can save a country from outside aggression. To deny it is to indulge in a bit of fancy which has neither reason nor experience behind it.

Let us turn now to the central point under discussion. Professor Kumarappa had held that

centralised production leads to exploitation and violence. (In his rejoinder he has stressed lack of initiative and suppression of individualism as other evil results of it.) Judging from his remarks about Russia, one concluded that it made no difference whether centralised production was carried on under capitalism or the Soviet system. "In both organisations, the real producer loses his identity and becomes merely a tool in the hands of the men at the top." "Both capitalism and Soviet communism have as their basis violence. The galley slaves are driven with a whip for speed and harmony in pulling together."

My contention was that centralised production means exploitation and violence only when it is run on capitalist lines. Under a socialised economy, it involves no violence and no exploitation and, far from suppressing, encourages initiative. I do not wish to repeat the argument. I shall only attempt to answer briefly the objections that Professor Kumarappa has raised.

He advances mainly three arguments against centralised socialist economy: (1) Working together of large numbers of people is not possible without outside coercion: "If they did so without supervision, they would be highly evolved men and women. What prisoners do in a common kitchen is for themselves. They have supervision too. They do not do things well because the working is wholly for themselves. The moment social coercion on such a large scale has to be applied, methods of violence

gain ground"; (2) Individual growth and initiative would be inhibited: "These methods are not calculated to stimulate the individual growth and personality of the citizen. We have to aim at letting every producer have the full benefit of his labour and to develop on his own lines"; (3) Centralised and controlled production vests power in a few hands: "Man seeks after power even more eagerly than wealth. Theoretically we may arrange an ideal organisation, but in practice it will resolve itself into an autocracy. England and the U. S. A. claim to be democratic politically, but are they so in practice? Unless we follow the natural inclinations of man and build our organisation on that foundation, our superstructure will not weather the storms of time."

That men would work together only under compulsion is a hypothesis which is neither in accord with experience nor with human ideals. If what Professor Kumarappa says is true, mankind might as well give up all hopes of co-operative life. It should be remembered that this is one of the most cherished hopes of the present generation of humanity throughout the civilised world.

As for experience, may I remind the Professor of Kropotkin's *Mutual Aid*? At a time when Darwin's theory of the "struggle for existence" was being made into a fetish by enthusiasts, Kropotkin showed with a wealth of evidence drawn from life, that co-operation was perhaps the more important principle of life. It is as important in the case of

man as in that of other animals. Any human society, no matter how primitive, shows innumerable forms of co-operation. In fact, the more primitive societies, in which man may be said to be nearer his "nature", show closer and wider co-operation than those that have ascended the steps of civilisation. Co-operation has been narrowed down as private economic interests have come into existence. With the removal of such interests, the socialist hopes that co-operation would once again be established as the rule of life.

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Let us look at the question from a more matter-of-fact point of view. What does "working together" in centralised production mean? Quoting my remarks, Professor Kumarappa writes: "If thousands of people worked together, not for a third party but for themselves, and consumed together all that they produced, still, he (i. e. the present writer) feels each one of them will get the full value of his labour. Here each will work for all (for himself also, at the same time—J. P. N.). If they did so without supervision, they would be highly evolved men and women." I do not exactly know what the Professor means by supervision. There is supervision even in pounding rice. If however by supervision he means coercion as probably he does, judging from his use of the word a little later in the same context, it is not clear why men must be coerced to work together, especially, when the fruits of their labour are to go to themselves. If men have to be highly evolved to do that, they must be much more so to work together

in order to make others rich. Yet this is what the workers do under capitalism. Professor Kumarappa would not call the industrial workers of today evolved beings, yet why do they work together to swell the fortunes of their employers? No one has coerced them to do so. Every one of them is free to quit his job Yet they do work together. Why? Because the economic organization of the society of which they are members has turned them into property less individuals with no other means of livelihood than their labour for which that organization supplies a market.

Under a socialist economy, the workers will work together not, because driven to do so by that mystic body the "State", but because only in that manner can they earn, not only their livelihood as under capitalism, but everything good and valuable that their society has to offer—status, honour, comforts. The comparison that the Professor draws with prisoners working in their common kitchen is entirely beside the point. And, if the Professor wishes to see how even prisoners can work together *without coercion*, he should turn to Soviet Russia.

As for inhibition of individual initiative and instinct for creation, it is such a time-worn argument that it need not detain us long. There are two things to remember in this connection. First, that though handicrafts offer opportunities for the exercise of initiative and the instinct for creation, only a small number of craftsmen can have the natural endowment to make use of that opportunity,

and, further, the level of industry limits severely the scope for creation. Not every craftsman has initiative or is a creator, nor the best of them has the same scope for the use of his powers as, say, an aeronautics engineer.

Secondly, large-scale production, especially under a socialised economy, means unlimited scope for creation and initiative in the sphere of science, aesthetics, technology. At the same time, by raising the level of mass culture, by solving the problem of the "struggle for existence," it releases undying springs of creativity and opens up hitherto unrealised opportunities for *every* individual in society to devote himself to creative work. It is the rule to speak of the instinct for creation in terms of work alone. As society advances, we shall learn more and more to think of it is terms of leisure—leisure that is beyond the reach of over ninety out of every hundred living men and women today.

Turning to Russia we find that the Soviet system, far from suppressing initiative and creativity, has given them an unprecedented stimulus and awakening. Dr. Sherwood Eddy writing on incentives in new Russia in his latest book, *Russia Today*, says: "Where the workers with new solidarity feel that they are working for themselves, they have the same successful motivation that the owners had in the early days of the capitalist system." Again: "In Russia the spirit of youth predominates......... It is a moving experience to hear fifty thousand youth shouting in perfect union, as I did in Moscow:

'We are changing the world! We are changing the world!'"

The socialist's claim is that only under his system will the individual have the chance for his fullest development. That is what Lenin meant when he said that every cook should be able to run the state.

The third argument that centralised production vests power in a few hands is equally erroneous. Under capitalism this is so, undoubtedly. And when Professor Kumarappa naively points to England and the U. S. A. as being only nominally democratic states, he is overlooking the fact, which has so persistently been emphasised by socialists, that in a class society there can be no democracy at all. Only when classes have been abolished that democracy can function. The "dictatorship" in Russia is far more democratic in reality than the so-called democracies of the West. It is a dictatorship of the many over the few, while the "democracies" are dictatorships of the few over the many. The outward forms of democracy hide this reality. But the truth comes out every time the least attempt is made to disturb the class-basis of society.

Production under socialism is a process in which the producer, through his factory soviet, continuously plays a dominant role. The individual has an incomparably larger voice in the management of his political and economic institutions under socialism than during any other previous stage of

human civilisation. It should be remembered that during the days of handicrafts political power everywhere was in the hands of a microscopic feudal oligarchy. Economically also that oligarchy was supreme.

In my original article I had said that the Professor had made a fatal compromise with centralised production. He has replied to that by arguing at length that certain industries are in their very nature centralised. The argument was unnecessary, because I had never questioned or denied it. Though now that he has attempted to make it look so "natural", I must say that this naturalness was certainly not so clear to the past generations of handicraft societies. I also doubt if to every member of the A. I. V. I. A., the naturalness will be as obvious as to the Professor. However, I have no quarrel with that proposition. What I tried toshow in my articles was the consequences of naturally centralised industry. I showed, firstly, that the sphere of such industry is so vast that it will dominate the nation's economy; secondly, that if this industry is left in private hands, the whole scheme as adumbrated by the A. I. V. I A., would collapse, because the large producing interests would drive the small producer out of existence. The Professor has not replied to the first point. To the second he has given, I am glad to say, an unequivocal answer. He writes: "I have nowhere indicated that private enterprise will be allowed to exploit mines, railways, etc. As I have already said, these

services have to be undertaken socially and not by private enterprise."

I do not know how far the views of the secretary of the A. I. V. I. A. represent the views of the Association itself. It is indeed a very significant statement and one should like to know if it is authoritative.

Finally, I had asked in my article how his scheme of small production would save the tenant, who is also a small producer, from being exploited by the landowner. The answer is a complete evasion. "The land question cannot be tackled without legislative power and as we are situated at present, we do not propose to take up this problem just now."

I was amused to read this answer. Our whole discussion has been not about what can be done just now, but about the principles underlying the concept of small industries as freshly interpreted by the A. I. V. I. A. At the very outset of my article I had made it clear that "I am not concerned in this article with the Village Industries Association as an immediate scheme for rural uplift or a scheme for winning *Swaraj*. I wish to examine it here as representing a scheme for social reconstruction—excelling even communism as Professor Kumarappa has claimed." The Professor was himself conscious of this, because he speaks of "the scheme of a social order adumbrated by the advent of the All India Village Industries Association." Not only that, but his whole argument has proceeded on the basis of a

future society ordered according to the principles he was advocating. All that he has said about centralised industry, about military domination, about freedom and initiative, refers to the future. If the land question cannot be tackled without legislative power, much less can the problem of socialising centralised industry.

In conclusion, I repeat that the only development from the present economic stage is towards large-scale production under social ownership; that such production would not only end exploitation and violence but would also raise human life and civilisation to an unprecedented level; that all attempts to go back to handicraft economy would end in failure and serve merely to divert men's efforts from being concentrated on the development of society towards its ultimate destiny—socialism. I had asked the Professor how he planned to decentralise already centralised industries and to prevent future centralisation. He has not dealt with the question beyond remarking cryptically that "our method generally is to win the co-operation of the people by educative propaganda." We know that more than fifteen years' propaganda has had no traceable decentralising influence upon the cotton (mill) industry of the country. But, I suppose the Professor is speaking in terms of millennia.

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